

OTHER TEUTONIC ENVOYS NOW FACE RECALL; EVEN BERNSTORFF MAY BE ASKED TO LEAVE

FINANCIERS HERE TO FLOAT BIG LOAN

Anglo-French Commission Arrives in New York With Hopes of Solving Pressing Problem.

MORGAN GIVES RECEPTION

Actual Negotiations as to Arranging Credit Will Not Be Begun for Several Days.

NEW YORK, September 10.—The Anglo-French commission, seeking a way to meet the huge bills of Great Britain and France for American munitions and other supplies, reached New York to-day, and was welcomed by J. P. Morgan, and met approximately 100 prominent bankers, insurance heads and leaders in other lines of finance late this afternoon at a reception in Mr. Morgan's library. Tonight the commissioners were dinner guests of a party of New York financiers.

Actual negotiations as to the credit they hope to establish here were not begun, and will not be for several days. During this period the commission expects to meet many other bankers and exporters and to become familiar with the situation. With these preliminaries disposed of, the commission will start on the actual details of the proposed loan.

STATEMENT IS ISSUED ON ARRIVAL OF STEAMER

For publication, the commission issued upon its arrival here on the steamship Lapland. This statement said:

"The joint Anglo-French mission, under the chairmanship of Lord Reading, which has been sent to the United States in connection with the question of the exchange between New York, London and Paris arrived this morning by the Red Star steamer Lapland. The British delegates are the Rt. Hon. Lord Reading of Eleigh, G. C. B., K. C. V. O., (The Lord Chief Justice of England); Sir Edward Holden Bart, Sir Henry Robinson Smith, K. C. B., C. S. I., and Basil P. Blackett, C. B., of the British Treasury. The French delegates are Mons Octave Humbert, representing the French Treasury, and Mons Ernest Mallet, director of the Banque de France.

"The object of the visit of the mission is to consult with the American bankers and others as to the best means to be adopted for regulating the exchanges between New York, London and Paris, in order that the commerce and industry of the three countries may suffer as little as possible during the course of the war. Mr. Blackett will act as secretary to the mission."

The reference to the commission as "the joint Anglo-French mission" was taken to indicate that the credit which it hopes to establish here would be of a joint nature, as previously reported unofficially. It seemed likely tonight that the commission might be called upon before its departure to adjust the whole foreign exchange situation for all the entente powers.

ITALIAN MONEY DEPRECIATED MORE THAN ANY OTHER

Italian money is depreciated more than any other in the market. At present lire are worth approximately only three-quarters of their face value. This has resulted in a situation which, financiers have feared, might be paralleled with respect to France, Great Britain and Russia, if the exchange rates on their money drop much lower than the lowest levels already touched. Chiefly because of the depreciation, Italy some time ago cancelled orders for millions of bushels of American wheat, and sent her buyers to Argentina for the grain which otherwise would have been purchased here.

Great Britain and France, it was said tonight, have seriously contemplated the possibility of having to go to South America for grain and meats to an extent much greater than at present, and of turning to Egypt for their cotton. Munitions of war they must buy in the United States because there is no other market; but these, it was said, form only a minor fraction of the total exchange, and can be paid for in gold for a long time to come.

Five hundred million dollars is the smallest sum which the commission hopes to borrow. They would much rather have a round billion. In view, however, of the many difficulties which lie in the way of floating a credit loan of such proportions in America, it was thought that the commission's task would be almost of herculean proportions in borrowing the smaller sum. The entire proceeds, of course, would be used in paying for American supplies.

NATURE OF COLLATERAL CHIEF OF OBSTACLES

Chief of the obstacles before the commission is the nature of the collateral. It is regarded as almost imperative that American securities be offered as collateral if the loan is to be financed largely by the national banks, as it would have to be, if the proportions indicated. So far, it was said, the holders of American securities abroad have evinced a strong tendency to cling to their holdings as the best investment in the world to-day. Nothing approaching half a billion dollars of American securities is at the command of the British and French governments. It is said, although citizens of these countries are from eight to ten times that amount in such securities in their vaults. How to get them into the government's hands has been the chief financial problem.

Powerful Warships Designed for Navy

Daniels Signs Plans for Two Dreadnoughts Authorized by Last Congress.

(Special to The Times-Dispatch.)
WASHINGTON, September 10.—Plans for two new battleships authorized by the last Congress were signed to-day by Secretary Daniels. They will be the largest and most powerful warships ever designed for the American Navy. In addition to formidable main batteries of twelve fourteen-inch rifles, each will be provided with new safeguards against torpedo attack and anti-aircraft guns.

While the Navy Department will not make public the nature of the invention adopted to protect the Dreadnoughts from torpedoes, Secretary Daniels said lessons learned from the European war had been given careful consideration by the navy's experts who developed the device.

Specifications for the vessels will be ready for bidders before the end of next week, and bids will be opened at the department on November 15.

The ships will displace 32,000 tons. They will have four submerged torpedo tubes, secondary batteries of twenty-two five-inch guns and four three-inch rifles for repelling air attacks. The length will be 621 feet over all, breadth ninety-seven feet 8 inches and draft thirty feet. The cost of each vessel exclusive of armament and armor is limited to \$7,800,000.

TRIAL OF MAYOR BELL BEGINS

Prosecution in Opening Statement Declares Him Responsible for Election-Law Violations.

INDIANAPOLIS, IND., September 10.—Mayor Joseph E. Bell, as the head of the police department, was held responsible for the majority of the alleged election-law violations on November 3, 1914, by Prosecutor Alvah J. Rucker, who to-day began his opening statement in the trial of the Mayor, who is under indictment for election conspiracy. The jury was sworn in this morning. The prosecutor was speaking when court adjourned for the night.

Prosecutor Rucker asserted that the evidence would show that the election frauds in Terra Haute, for which a number of men, including Mayor Donn M. Roberts, were sentenced to Federal Prison, were no worse than those in Indianapolis.

Mr. Rucker declared that at least three progressive election officials were arrested the night before the election to prevent them from serving on election boards.

AVOIDS GERMAN SUBMARINE

British Steamer Returns to Spanish Port After Being Warned of Nearness of U-Boat.

CORUNNA, SPAIN, September 10 (via Paris).—The British steamer Orania has returned to this port after having received notification by wireless shortly after sailing that a German submarine was off Cape Finisterre.

The steamer sighted a sailboat with twenty or more persons on board, who supposedly were torpedoed, but the Orania kept on her return course, without approaching the smaller craft, suspecting a German trap.

GEN. B. F. FISHER DEAD

Was Last Survivor of Union Soldiers Who Tunnelled Way Out of Libby Prison.

PHILADELPHIA, September 10.—General Benjamin Franklin Fisher, chief signal officer of the United States Army during the Civil War, died yesterday on his farm overlooking Washington's headquarters at Valley Forge. He was eighty-one years old. He was the last survivor of the nineteen Union soldiers who tunneled their way out of Libby Prison, and made their way back to their own lines, after great hardship.

SCHOONER IN DISTRESS

Van Lear Black, Bound From Buenos Aires to Connecticut, Spoken Off St. Thomas.

MOBILE, ALA., September 10.—The American schooner Van Lear Black, Buenos Aires to Stamford, Conn., was spoken in distress Thursday off St. Thomas, Danish West Indies, by the American steamer Oregonian, according to a wireless message received here yesterday by local agents of the schooner.

"DRY" LAW MORE DRASTIC

Alabama House Passes Measure Further Restricting Shipping of Liquor Into State.

MONTGOMERY, ALA., September 10.—The House this afternoon passed the liquor-shipment restriction law which carried in the Senate last week. The Governor has announced he will sign it. The bill further restricts liquor shipping in Alabama.

DANIELS TO VISIT MOTHER

Secretary of Navy Leaves for Goldsboro to Participate in Celebration of Her Eightieth Birthday.

WASHINGTON, September 10.—Secretary of the Navy Daniels left to-night for Goldsboro, N. C., to participate in the celebration of the eightieth anniversary of his mother's birthday. He will return on Monday.

RICHMOND SUFFERS BY NEW TAX RULING

State Advisory Board Puts Brakes on Examiners of Records.

SANDS HAS FINISHED WORK

This City Made to Face Burden Other Sections of State Are Released From.

Gently, but firmly, in an admonishing circular issued yesterday, the State Advisory Board on Taxation lays a restraining hand upon certain examiners of the records, whose eagerness to pile up fat fees while the season for piling up such fees is open has been so obvious that it incited resentment and protests in some parts of the State.

The open season will end January 1, 1916. From that date the law restricts the total annual fees of examiners to \$2,500.

Some of the examiners of records, it is disclosed, have devoted their time largely to delving into omitted taxes of the past, and have earned enormous fees thereby. Some of these energetic officials have employed large clerical forces, and are in a position to resent any charge that may be brought that they neglected this year's work while digging up the mass of omitted items of taxation dating back many years. Others, in the opinion of the protestants, gave their time to omitted taxes of years past at the sacrifice of this year's assessments.

URGES ACTIVITY CENTERED ON CURRENT YEAR'S TAXES

That the State Advisory Board is greatly impressed by this complaint is indicated in these excerpts from the circular, which re-given the emphasis of black, bold-faced type:

"The State Board, therefore, urges all taxing officers at this time to give all efforts and time to the assessments for the current year.

"The State Board is now devoting its entire time to the assessments for the current year, and advises and insists that commissioners of the revenue, examiners of records and local boards of review do the same."

PLACES HEAVY BURDEN ON RICHMOND TAXPAYERS

Richmond interests will have to bear a burden of taxes enormously greater than other cities, since many millions of dollars in omitted taxes have been dug up by Major William H. Sands, Examiner of Records for this district. But it is because the Richmond examiner has been more energetic in discovering these omitted items. It is estimated that his discoveries of omitted taxable values, dating back many years, will net him between \$20,000 and \$40,000 in commissions. After the first day of next year, however, his earnings will be limited by law to \$2,500 a year. That large interests in other cities have not been called upon to this time to account for omitted taxes of past years in the same proportion as Richmond is due, not to what the Richmond examiner has done, but to what the other examiners, less energetic, have not done.

The belief is expressed in some quarters that the coming General Assembly may place a limitation on delving into past conditions, and so exempt other sections of the State from paying their proportionable share of the taxes such as Richmond is called on at this time to meet.

STATE ADVISORY BOARD ISSUES GENERAL CIRCULAR

The State Advisory Board on Taxation, in the circular issued yesterday, says:

"The State Advisory Board on Taxation, by letter dated June 18, 1915, in writing to examiners of records, advised as follows:

"The principal and leading object of the new tax law is to make assessments uniform and thorough throughout the Commonwealth, and to subject to taxation all property in all sections of the State. To accomplish that end the disclosures in one section should be as thorough and complete and the work as actively and carefully done as in others. The State Board believes that taxpayers will be willing and ready to respond fully to the requirements of the law if they feel assured that the law will be enforced alike throughout the entire Commonwealth, and the State Board wishes taxing officers to bear this in mind, and so to perform their duties as to bring about this result."

WORK OF 1915 MUST TAKE PRECEDENCE OVER BACK CLAIMS

"Considering the new laws relative to taxation chiefly, if not solely, intended for the purpose of subjecting to taxation all property for 1915, and not relating specially to requiring active efforts to discover taxable property omitted for years prior to 1915, and recognizing the large amount of work required of taxing officers for making the proper investigations and examinations so as to fully and uniformly assess property for 1915, the board on June 22, 1915, issued the following circular:

"The Auditor of Public Accounts has received numerous inquiries from examiners of records and other taxing officers relative to the proper action

(Continued on Third Page.)

CARRANZA'S REPLY IS FIRM REFUSAL

Declines to Acquiesce in Peace Parley Proposals Made by Pan-American Conference.

HE DEMANDS RECOGNITION

In That Event Will Meet Envoys to Consider Situation From International Viewpoint Only.

VERA CRUZ, September 10.—General Venustiano Carranza, first chief of the Constitutional army, has declined to acquiesce in the invitation of the diplomatic representatives of the United States and the Latin-American countries that he join the leaders of the various factions in Mexico in an endeavor to bring about peace.

Carranza's reply, which was handed to John R. Silliman, President Wilson's representative in Mexico, to-day, said that General Carranza could not consent that the interior affairs of the republic be handled by mediation or by the initiative of any foreign government.

NOT CONSENT TO DISCUSS INTERIOR AFFAIRS

The reply says, in part:

"Messrs. Ministers: 'Having informed General Venustiano Carranza, the first chief of the constitutional army, a representative of the executive power of the union, of your note, which you signed in your official capacity and addressed to him under date of August 15 last, inviting him to a conference with the chiefs of the rebel party to consider the Mexican situation and re-establish peace, I inform you, in the name of the first chief of the Constitutional army, in charge of the executive power of the republic, that he cannot consent that the interior affairs of the republic be handled by mediation or by any initiative of any foreign government, inasmuch as all have the right to respect the inalienable right of the sovereignty of nations, and since, upon the acceptance of the invitation of Your Excellency, addressed to him, to attend a conference with the chiefs of the rebel faction, with a view of returning peace to Mexico, he would impair profoundly the independence of the republic, and would establish the precedent of foreign interference in the determination of its interior affairs, this consideration alone sufficing in prohibiting our government from participation in the legitimate defense of the sovereignty of the Mexican people and of the other American nations.'

NAMES OTHER REASONS FOR HIS ATTITUDE

"Apart from this fundamental reason, there are other reasons. Carranza does not doubt that Mexico is at present in the throes of a revolution in which it is proposed to wipe out all the errors and abuses of past administrations, and realize the noble aspirations for the welfare and the betterment of the Mexican people.

"On the other hand, Your Excellencies will have been able to observe from the answers received to your note from the military chiefs and civil subordinates of the first chief, that the first chief is the only authority who can decide, and who, in fact, does decide, matters submitted to the consideration of the former, who, with their replies, have given an eloquent example of their discipline and solidarity, at the same time giving evidence that the first chief has known how to preserve unity within the Constitutional government, and is standing in the prolongation of the strife and in spite of the ignoble and repeated intrigues of our enemies for the relaxation of discipline in the Constitutional army and their attempts to corrupt its principal chiefs.

"The first chief, in consequence, bears the immense responsibility of the realization of the national ambitions, and he cannot, by means of any deal, endeavor to the fate of the country nor permit the enemies of the cause which he represents to participate directly in the government.

ERRONEOUS, IN VIEW OF OWN EXPERIENCE

"Nor does he believe it just or wise to bring to naught the results of the blood spilled on the republic's soil by following the course which Your Excellencies courteously and disinterestedly indicate to him, but which he considers erroneous, in view of the teachings of his own experience.

"In short, the revolution of 1910, initiated by Don Francisco I. Madero, was not able to fulfill its object, because of the pact made at Jurez with the old regime. The treaties there entered into left the enemies of the people still a footing, and were one of the principal causes of the tragic events of February, 1913, of which Your Excellencies are no doubt cognizant, and in the machinations of which not a small part was taken by certain foreign ministers accredited to the government of Mexico."

The reply then recites how "upon the assassination of President Madero" the cause of the pact made at Jurez with the old regime. The treaties there entered into left the enemies of the people still a footing, and were one of the principal causes of the tragic events of February, 1913, of which Your Excellencies are no doubt cognizant, and in the machinations of which not a small part was taken by certain foreign ministers accredited to the government of Mexico."

The reply then recites how "upon the assassination of President Madero" the cause of the pact made at Jurez with the old regime. The treaties there entered into left the enemies of the people still a footing, and were one of the principal causes of the tragic events of February, 1913, of which Your Excellencies are no doubt cognizant, and in the machinations of which not a small part was taken by certain foreign ministers accredited to the government of Mexico."

The reply then recites how "upon the assassination of President Madero" the cause of the pact made at Jurez with the old regime. The treaties there entered into left the enemies of the people still a footing, and were one of the principal causes of the tragic events of February, 1913, of which Your Excellencies are no doubt cognizant, and in the machinations of which not a small part was taken by certain foreign ministers accredited to the government of Mexico."

The reply then recites how "upon the assassination of President Madero" the cause of the pact made at Jurez with the old regime. The treaties there entered into left the enemies of the people still a footing, and were one of the principal causes of the tragic events of February, 1913, of which Your Excellencies are no doubt cognizant, and in the machinations of which not a small part was taken by certain foreign ministers accredited to the government of Mexico."

The reply then recites how "upon the assassination of President Madero" the cause of the pact made at Jurez with the old regime. The treaties there entered into left the enemies of the people still a footing, and were one of the principal causes of the tragic events of February, 1913, of which Your Excellencies are no doubt cognizant, and in the machinations of which not a small part was taken by certain foreign ministers accredited to the government of Mexico."

The reply then recites how "upon the assassination of President Madero" the cause of the pact made at Jurez with the old regime. The treaties there entered into left the enemies of the people still a footing, and were one of the principal causes of the tragic events of February, 1913, of which Your Excellencies are no doubt cognizant, and in the machinations of which not a small part was taken by certain foreign ministers accredited to the government of Mexico."

The reply then recites how "upon the assassination of President Madero" the cause of the pact made at Jurez with the old regime. The treaties there entered into left the enemies of the people still a footing, and were one of the principal causes of the tragic events of February, 1913, of which Your Excellencies are no doubt cognizant, and in the machinations of which not a small part was taken by certain foreign ministers accredited to the government of Mexico."

GERMANS DRIVING AT FRENCH LINES

Repeat in Vosges and in Artois Attempts Previously Made in Argonne Forest.

CHARGED WITH USE OF GASES

Attacks Seemingly Indicate That Long-Expected Offensive in West Will Soon Begin.

LONDON, September 10.—The Germans have repeated in the Vosges Mountains and in Artois the attempts which they made to break through the French lines in the Argonne forest, which seemingly indicates that the long-expected offensive in the west will not much longer be delayed. In these attacks, the Germans claim that they were enabled to occupy some French trenches. The French report admits this, but says the German progress was accomplished by the use of asphyxiating gases, and that in counter-attacks the French regained the greater part of their lost ground at Mortenau-Neufchateau, and later repulsed another violent attack against that position. This place, which was taken by the French during their spring and summer operations, probably has been the scene of as much hand fighting as any place on the whole front. It has changed hands a dozen times. Yesterday the Germans, by assault, again got a footing on the summit, but, according to Paris, were driven down again during the night.

Aside from these events, the armies in the west have been engaged in almost continuous artillery duels, bomb throwing and air raids.

SITUATION IN EAST SHOWS LITTLE CHANGE

In the east there is little change in the situation. The two Russian successes on the Sereth River, Galicia, while they made a big capture of men and guns, has not interfered with the Austro-German advance. Further north the Austrians have taken Dubno, the second of the triangle of fortresses to fall into their hands, and with the help of the Germans are advancing to Rovno, the third of these fortified centers.

Meanwhile, the Germans from the south of the Pripiet marshes to the region southwest of Vilna are fighting hard, and with some success, for the strategic railway system of the West-Vilna area.

Just of this is already held by the invaders, but they are now coming tentatively at the main trunk line, which starts at Riga, runs through Dvinsk, Vilna, Lida and the East Pripiet marshes to Rovno and onward to Lemberg, Galicia.

Military critics express the opinion that once this line is in the hands of the Austro-German forces, they will go into winter quarters for the more important purpose of bringing a large part of the Russian forces to a decisive battle under disadvantageous conditions now seem out of the question, as the autumn rains already have set in.

The three main Russian armies, under Generals Ruzsky, Evert and Ivanov, although reduced and outnumbered, still are full of fight, as is shown by their offensive on the Sereth River, and the Austro-German forces must look to their own defense before re-enforcements reach their opponents.

STILL LACK OF NEWS FROM DARDANEELLES

There is still a dearth of news from the Dardanelles. On the Austro-Italian frontier the Italians continue their attacks in the mountain regions, where their progress is slow.

It is disclosed by the Sofia correspondent of the Associated Press that Serbia has offered to cede Macedonia as far as the Vardar River to Bulgaria, but that the latter wants the whole of Macedonia. This is where the negotiations, which have been going on since the capture of the Russian fortress of Grodno. The report says that after Field Marshal von Hindenburg's winter battle of February, the Russians "made Grodno so strong that it ought to have held out for a long time against any attack whatever, if energetically defended. The Russians also brought thirty heavy guns for the defense of the fort. They did similar work at the fortress of Osowetz."

AIR RAID SCARES ACTRESS

Laurette Taylor, of 'Peg o' My Heart' Cast, Will Not Appear Again in London During War.

(Special Cable to The Times-Dispatch.)
LONDON, September 10.—Laurette Taylor, who rejoined the cast of 'Peg o' My Heart' last Monday, after a month's holiday, suffered a nervous shock following Wednesday night's Zeppelin visitation, and now is confined to her bed. Wharley Manners, Miss Taylor's husband, said to-day his wife would not appear in London again during the war.

Relief Is Promised by Weather Bureau

WASHINGTON, September 10.—Near freezing weather in the North-west is sending a cool wave to the relief of the East and South, where mid-summer temperatures have prevailed during the past few days. Weather Bureau forecasters said tonight that by to-morrow night or Sunday it would be decidedly cooler everywhere except along the South Atlantic Coast.

TOLD BY POLICE IT WAS 'ALL RIGHT' TO SELL LIQUOR

Italians Tell Consul Camillo Verta of Their Treatment at Hopewell.

WILL GO BEFORE GRAND JURY

All Evidence So Far Presented Has Come Through Governor's Agents. Prince George County Officers Have Offered No Testimony.

Following reports that Italians at Hopewell had received what he regarded as unfair treatment at the hands of the local authorities in Prince George County, Dr. Camillo Verta, Italian consul at Richmond, went to the powder-plant town yesterday to investigate. The consul was informed by most he considers reliable that officers had told him that it would be "all right" to sell liquor and other intoxicants, provided they had a United States internal revenue license, and that many of them had paid various sums of money to officers for "protection."

None of the officers who are said to have told the Italians they could sell liquor reported the violations of the law to the grand jury at Prince George Courthouse. All of the indictments so far returned in connection with the Hopewell probe were based on information supplied by investigators sent to Hopewell by Governor Stuart or by Du Pont officers.

GOVERNOR'S REPRESENTATIVE DR. VERTA ACCOMPANIED

Dr. Verta was accompanied on his trip by L. R. Driver, who has been the personal representative of Governor Stuart in investigations of lawlessness at Hopewell. They spent the greater part of the day in the town, and more than fifty Italians were interviewed regarding their knowledge of graft and bribery on the part of policemen and others.

It is believed that through Dr. Verta's assistance the State authorities have been given an opportunity to open up a new line of investigation which will have the effect of supporting previous revelations of conditions at Hopewell. In addition, there are likely to be further developments when the evidence of the Italians interviewed by the consul is laid before the grand jury when it reconvenes at Prince George Courthouse.

ITALIANS HAD BEEN WARNED NOT TO TESTIFY

It was also learned that Italians who were known to have knowledge of graft and bribery at Hopewell had been warned by certain men interested in the acquittal of men indicted for bribery that the Italians would get into trouble if they testified in these cases.

Twenty-five Italians have been indicted by the grand jury for selling intoxicants at Hopewell, and many of these pleaded guilty, being fined \$75 each and required to pay the costs, which amounted to approximately \$25 for each individual. Several of these complained to their country's representative and informed him that they had been told by officers that they could not testify. They could not understand why they should be fined.

GOVERNOR'S AGENTS SECURE ALL EVIDENCE PRESENTED

The Italians, of whom there are 2,400 actually employed in the Du Pont plant, and perhaps 500 more working in Hopewell, talked freely with the consul, and gave him much more information regarding the situation than the State authorities had been able to secure from these sources in two months. The foreigners apparently had greater confidence in their country's representative than in Americans.

Of approximately 250 indictments returned by the special grand jury impaneled to investigate lawlessness at Hopewell, the evidence on which each was based was furnished by detectives from the Baldwin-Park Agency at Rockville, employed by Governor Stuart, by the Governor's representative, L. R. Driver, and by officers of the Du Pont police force, who are paid by the powder-plant company. Mr. Driver supplied evidence on which more than 150 indictments for the illegal sale of liquor were based.

No evidence which resulted in indictments was supplied by the regular Prince George officers.

FINED ONE-HALF OF LAW'S REQUIREMENT

In Police Court at Hopewell yesterday morning a Greek restaurant keeper was fined \$25 and costs by Magistrates Perry and Britton for violating the Byrd liquor law.

Attorney-General Pollard, when asked last night about the authority for imposing a \$25 penalty for an offense of this nature, said the minimum fine, for a violation of the Byrd law is \$50. He declined to comment on the action of the magistrates.

The Greek's Place on Railroad Ave. (Continued on Second Page.)

BECOME INVOLVED IN CRISIS ARISING FROM DUMBA CASE

German Attache and Austrian Consul-General Are Under Investigation.

APPARENTLY CONNECTED WITH BIG STRIKE PLANS

Ambassador Is Technically Concerned, but Not So Seriously as Others.

NO WORD COMES FROM VIENNA

Action by Government Against Hungarian Editor in This Country Is Predicted.

WASHINGTON, September 10.—President Wilson's request for the recall of the Austrian ambassador, Dr. Constantin Theodor Dumba, has broadened into a situation involving Captain Franz von Papen, the military attache of the German embassy; Alexander Nuber von Pöckel, the Austrian consul-general in New York, and possibly Count von Bernstorff, the German ambassador. The official view is that the ambassador, although technically involved, is not so seriously concerned as the military attache or the consul-general. It is not unlikely that both of the latter may be recalled or dismissed from the country.

Coupled with Germany's disappointing and unsatisfactory explanation of the sinking of the White Star liner Arabic, after Count von Bernstorff had given assurances that full satisfaction would be given if it was established that a German submarine sunk the ship, official Washington views the friendly relations with the Central powers strained more toward the breaking point than ever before.

It is expected that the submarine crisis had been so far passed, and that a break between Germany and the United States had been avoided were displaced to-day by misgivings.

ONLY BASIS OF OPTIMISM IN OFFICIAL QUARTERS

Unofficial reports that a second note had been started from the Berlin Foreign Office for Washington furnished about the only basis of optimism in official quarters, so far as the submarine controversy was concerned.

The American reply to the Arabic note probably will be delayed until officials can learn whether to expect anything additional from Berlin.

Nothing comes in the nature of a confirmation of Germany's explanation, an American note will reach Berlin probably early next week, which will set forth the views of the United States in brief and unmistakable manner.

Germany's declaration that, while she regrets the loss of Americans, she recognizes no liability for indemnity, even if the submarine commander was mistaken in believing the Arabic was about to attack him, and practically offering to arbitrate the principle, is regarded in official circles as leaving the whole submarine question practically where it was left by Germany's unresponsive attitude toward the Lusitania negotiations.

The President spent most of to-day going over the German note. No official comment was made, but the disappointment of officials was undisguised.

OFFENSIVE STATEMENTS ABOUT AMERICAN PEOPLE

Captain von Papen is involved in the Dumba case because he forwarded by James P. J. Archibald, the American correspondent traveling under an American passport, a personal letter in which he made offensive statements about American officials. Moreover, Ambassador Dumba's letter to the Vienna Foreign Office, found on Archibald, mentioned Von Papen as having approved what the State Department in its note to the Austro-Hungarian government characterized as a conspiracy to cripple the legitimate industries of the United States. Consul-General Nuber is drawn in the case because the Dumba letter disclosed that he was